



Environmental Services Division
Energy and Waste Management Bureau

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DNR Contact: Jennifer Moehlmann (515) 281-8518

CRUDE OIL AND GASOLINE PRICES REMAIN HIGH

DES MOINES — According to the Iowa DNR's March 15, 2004 fuel price survey, gasoline prices are at \$0.09 higher than one month ago, averaging \$1.66 for a gallon of self-serve, regular unleaded gasoline. The sustained high prices are due to a number of factors, including a strengthening economy (which supports increased demand for gasoline), high crude oil prices and fears of future short supply in the spring and summer (due to new lower sulfur gasoline requirements).

"The only certainty with gasoline prices is that they will continue to be volatile," said Jennifer Moehlmann, DNR energy analyst. "While there may be some short-term price drops, based on wholesale trading activity, it is more likely that prices will continue to rise as we get closer to the summer driving season."

According to the March 15 survey, prices across the state ranged from \$1.55 to \$1.82 per gallon and are \$0.01 higher than this time last year. Last year's high prices resulted in part from low inventories and fears about a near-term war in Iraq. Currently, retail conventional unleaded gasoline prices in Iowa are \$0.02 lower than the national average of \$1.68 per gallon and \$0.02 higher than the regional average of \$1.64 per gallon.

The average price for regular unleaded gasoline blended with ethanol was \$1.65 per gallon. Ethanol-blended gasoline currently represents 60.2 percent of the market share.

Crude oil finished trading on March 17 at \$38.18 per barrel, \$3.74 more than last month. One year ago, crude was \$29.88 per barrel. Crude oil prices have remained high because of trader concerns regarding levels of supply, potential production cuts by OPEC members, and strong global demand for oil and reports of political unrest in Venezuela and other oil-supplying nations. National crude oil inventory is at 281.1 million barrels, 4 percent higher than the previous year, but below the normal range. The DNR expects crude oil prices to remain volatile while U.S. inventories are relatively low, with prices ranging between \$34 and \$37 per barrel.

The average price of self-serve diesel fuel on March 15 was \$1.62, up \$0.04 from last month and \$0.04 higher than the regional average of \$1.58 per gallon. Diesel fuel was \$1.74 per gallon one year ago.

Propane

The March 15 survey found the average retail price of propane was \$1.06 per gallon. This is \$0.03 lower than the previous month and 3 percent below the retail price of propane at this time last year (\$1.09 per gallon). The Iowa average retail propane price is \$0.25 below the regional average of \$1.31. Midwest propane inventories are nearly 81 percent higher than last year at this time and are within the five-year average.

Heating Oil Prices

The March 15 survey found the average retail price of No. 2 heating oil was \$1.24 per gallon. This is \$0.04 higher than last month and 5 percent below the price of heating oil at this time last year (\$1.31 per gallon). The Iowa average retail heating oil price is \$0.13 below the regional average of \$1.37. Midwest heating oil inventories are 3 percent higher than this time last year and are within the five-year average.

Natural Gas

Natural gas closed at \$5.51 per million Btu on March 15, \$0.11 higher than last month and 4 percent higher than one year ago. Although the winter season is ending with higher natural gas inventory levels than last year, the DNR expects natural gas prices to remain volatile and trade in the same general direction as crude oil prices.

MOTOR FUELS SURVEY

Self-Serve	February 15	March 15	Change
Regular Unleaded	1.57	1.66	+0.09
Regular Unleaded with Ethanol	1.55	1.65	+0.10
Premium Unleaded	1.67	1.77	+0.10
Diesel	1.58	1.62	+0.04
Full-Serve	February 15	March 15	Change
Regular Unleaded	1.70	1.81	+0.11
Regular Unleaded with Ethanol	1.70	1.77	+0.07
Premium Unleaded	1.82	1.96	+0.14
Diesel	1.64	1.69	+0.05

HEATING FUELS SURVEY

	February 16	March 15	Change
Propane	1.09	1.06	-0.03
#2 Heating Oil	1.20	1.24	+0.04
Natural Gas	5.40	5.51	+0.11

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	February 15	March 15	Change
Ames	1.52	1.71	+0.19
Cedar Rapids	1.60	1.58	-0.02
Council Bluffs	1.48	1.64	+0.16
Davenport	1.51	1.60	+0.09
Des Moines	1.59	1.70	+0.11
Dubuque	1.63	1.65	+0.02
Fort Dodge	1.57	1.70	+0.13
Iowa City	1.57	1.69	+0.12
Sioux City	1.53	1.62	+0.09
Waterloo	1.54	1.61	+0.07
Webster City	1.65	1.75	+0.10
Average Metro Price	1.56	1.65	+0.09

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	February 15	March 15	Change
Northeast	1.56	1.64	+0.08
Northwest	1.58	1.68	+0.10
Southeast	1.55	1.62	+0.07
Southwest	1.56	1.67	+0.11
Rural Area Average	1.56	1.65	+0.09

WHOLESALE PRICES IN METROPOLITAN AREAS AROUND IOWA

Unleaded (cents per gallon)	February 5	March 11	Change
Des Moines	106.29	114.53	+8.24
Dubuque	107.14	115.44	+8.3
Diesel Fuel (cents per gallon)	February 5	March 11	Change
Des Moines	94.56	101.64	+7.08
Dubuque	94.89	102.91	+8.02